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BEFORE THE ARIZONA CORPORATION COMMISSION

2004 JUL -6 P 4: 13

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AZ CORP COMMISSION  
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IN THE MATTER OF THE APPLICATION OF AJO  
IMPROVEMENT COMPANY FOR RATE  
ADJUSTMENTS IN ITS WATER AND  
WASTEWATER RATES

Docket No. WS-01025A-03-0350

**NOTICE OF FILING TARIFFS  
IN COMPLIANCE WITH DECISION NO. 67092**

Ajo Improvement Company hereby files its revised water and wastewater tariffs  
containing rates and charges that comply with Decision No. 67092 (dated June 29, 2004)

RESPECTFULLY SUBMITTED July 6, 2004.

**AJO IMPROVEMENT COMPANY**

By *Michael W. Patten*

Michael W. Patten  
ROSHKA HEYMAN & DEWULF, PLC  
One Arizona Center  
400 East Van Buren Street, Suite 800  
Phoenix, Arizona 85004  
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**ORIGINAL + 13 COPIES** of the foregoing  
filed July 6, 2004, with:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, Arizona 85007

Arizona Corporation Commission  
**DOCKETED**

JUL - 6 2004

DOCKETED BY	<i>CR</i>
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*Mary Spolito*

**AJO IMPROVEMENT COMPANY**  
**ACC DOCKET NO. WS-01025A-03-0350**  
**ACC DECISION NO. 67092**

**WATER DEPARTMENT RATES AND CHARGES**

**RATES:**

In Opinion and Order No. 67092, dated June 29, 2004, the Arizona Corporation Commission approved the following water rates for Ajo Improvement Company ("Company") to become effective for all service provided on or after July 1, 2004:

**Monthly Service Charges – Treated and Untreated Water Service**

5/8" x 3/4" Meters	\$9.45
3/4" Meters	9.45
1" Meters	15.75
1 1/2" Meters	26.25
2" Meters	52.50
3" Meters	105.00
4" Meters	210.00
6" Meters	300.00

**Treated Water Commodity Rates – Per Thousand Gallons for All Water Usage**

5/8" x 3/4" Meters & 3/4" Meters:	
First 3,000 Gallons	\$2.50
3,001 – 10,000 Gallons	2.90
All usage over 10,000 Gallons	3.30
1" Meters:	
First 25,000 Gallons	\$2.90
All usage over 25,000 Gallons	3.30
1 1/2" Meters:	
First 42,000 Gallons	\$2.90
All usage over 42,000 Gallons	3.30

Issued June 30, 2004

Effective July 1, 2004

ISSUED BY:

Raymond T. Romero, General Manager  
Ajo Improvement Company  
Ajo, Arizona 85321

**AJO IMPROVEMENT COMPANY**  
**ACC DOCKET NO. WS-01025A-03-0350**  
**ACC DECISION NO. 67092**

**WATER DEPARTMENT RATES AND CHARGES**

**Treated Water Commodity Rates – Per Thousand Gallons for All Water Usage (Cont'd)**

2" Meters:	
First 63,000 Gallons	\$2.90
All usage over 63,000 Gallons	3.30
3" Meters:	
First 120,000 Gallons	\$2.90
All usage over 120,000 Gallons	3.30
4" Meters:	
First 180,000 Gallons	\$2.90
All usage over 180,000 Gallons	3.30
6" Meters:	
First 290,000 Gallons	\$2.90
All usage over 290,000 Gallons	3.30
Commodity Rates for Public Water Systems (During Off-Peak Hours) Applicable Only to Meters 4" or Larger	\$2.80

**Untreated Water Commodity Rates – Per Thousand Gallons for All Water Usage**

5/8" x 3/4" Meters & 3/4" Meters:	
First 10,000 Gallons	\$1.70
All usage over 10,000 Gallons	2.04
1" Meters:	
First 25,000 Gallons	\$1.70
All usage over 25,000 Gallons	2.04

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**WATER DEPARTMENT RATES AND CHARGES**

**Untreated Water Commodity Rates – Per Thousand Gallons for All Usage (Cont'd)**

1 ½" Meters:	
First 42,000 Gallons	\$1.70
All usage over 42,000 Gallons	2.04
2" Meters:	
First 63,000 Gallons	\$1.70
All usage over 63,000 Gallons	2.04
3" Meters:	
First 120,000 Gallons	\$1.70
All usage over 120,000 Gallons	2.04
4" Meters:	
First 180,000 Gallons	\$1.70
All usage over 180,000	2.04
6" Meters:	
First 290,000 Gallons	\$1.70
All usage over 290,000 Gallons	2.04

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**WATER DEPARTMENT RATES AND CHARGES**

**SERVICE LINE AND METER INSTALLATION CHARGES:**  
(Refundable Pursuant to A.A.C. R14-2-405)

5/8" x 3/4" Meter	\$400.00
3/4" Meter	450.00
1" Meter	500.00
1 1/2" Meter	750.00
2" Meter	1,300.00
3" Meter	2,000.00
4" Meter	3,000.00
6" Meter	6,035.00

**SERVICE CHARGES:**

Establishment	\$25.00
Establishment – After Hours	40.00
Meter Test – If Correct	Cost**
Deposit	*
Deposit Interest	*
Reestablishment – Within 12 Months	***
Re-connection of Service – Regular Hours	25.00
Re-connection of Service – After Hours	\$40.00
Service Calls – After Hours Only	\$40.00/hour
NSF Check	20.00
Deferred Payment	1.5%
Meter Reread – If Correct	10.00
Late Charge	1.5%

**Asterisk Explanations:**

- \* Per Commission Rule A.A.C. R14-2-403(B)
- \*\* Cost includes materials, labor and overheads
- \*\*\* Months off system times the monthly minimum per Commission Rule A.A.C. R14-2-403(D)

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**ACC DECISION NO. 67092**

**WATER DEPARTMENT RATES AND CHARGES**

**TAXES AND ASSESSMENTS:**

In addition to the rates and charges authorized herein, the Company shall collect from its customers all sales, transaction, privilege, regulatory or other taxes and assessments as may now or in the future be applicable to water service.

**RULES AND REGULATIONS:**

The Company has adopted the Rules and Regulations established by the Arizona Corporation Commission as the basis for its operating procedures. A.A.C. R14-2-401 through R14-2-411. R14-2-411 will be controlling of Company procedures unless a specific Commission Order provides otherwise.

Issued June 30, 2004

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**SERVICE LINE TARIFF AND METER ADVANCE POLICY**

1. Maximum Footage Allowance:

The maximum footage allowance of service line which the Company shall provide at the initial installation of service, for which no charge will be made to the customer, is:

- a. Residential customer: 100 feet
- b. Non-residential customer: 0 feet

2. Contribution in Aid of Construction:

All costs to the Company to provide the service line from the Company's distribution main to the customer's premises in excess of the maximum footage allowance specified in paragraph 1 above, shall be paid by the customer as a contribution in aid of construction.

3. Refundable Meter Advance:

The Company may require a refundable advance in an amount set forth above under in the Rates and Charges.

4. Refund:

The meter advance is refundable at 10% of the annual net revenues from that meter and applied as a credit to the customer's November billing of each year until fully paid.

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**AJO IMPROVEMENT COMPANY**  
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**ACC DECISION NO. 67092**

**WASTEWATER DEPARTMENT RATES AND CHARGES**

**RATES:**

In Opinion and Order No. 67092, dated June 29, 2004, the Arizona Corporation Commission approved the following wastewater rates for Ajo Improvement Company ("Company"). Phase I rates become effective for all service provided on or after July 1, 2004. Phase II rates become effective on the 1<sup>st</sup> day of the month following the 3<sup>rd</sup> month after the Company's notification to the Director of the Utilities Division that ADEQ has determined that the Wastewater Department meets the standards required by the Arizona Administrative Code. Phase III rates become effective 6 months after the implementation of Phase II rates. Phased increases in rates are not applicable for domestic wastewater service to small commercial and municipal customers, restaurants with dishwashers, laundromats and car washes. Increases in non-phased rates and charges become effective on the 1<sup>st</sup> day of the month following the Company's notification to the Director of the Utilities Division that ADEQ has determined that the Wastewater Department meets the standards required by the Arizona Administrative Code.

**Residential Service – Per Month:**

Phase I	\$9.42
Phase II	12.76
Phase III	16.10

**Commercial and Municipal – Per Month** **\$19.60**

**Restaurants with Dishwashers** **\$46.14**

**Additional Monthly Commercial Charges:**

Laundromats – Per Washing Machine	\$7.33
Wash Racks – Per Rack	\$7.33

**Customers Billed on Residential Equivalents ("REU"):**

**Industrial, Commercial and Schools – Per REU:**

Phase I	\$9.42
Phase II	12.76
Phase III	16.10

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Effective July 1, 2004

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**AJO IMPROVEMENT COMPANY**  
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**ACC DECISION NO. 67092**

**WASTEWATER DEPARTMENT RATES AND CHARGES**

INDUSTRIAL AND COMMERCIAL REU TABLE: (1)

<u>Employee Range(2)</u>	<u>REUs(3)</u>
1 – 8	1
9 – 15	2
16 – 50	3
51 – 100	7
101 – 200	14
201 – 300	23
301 – 400	33
401 – 500	42
501 – 600	52
601 – 700	61
701 – 800	70
801 – 900	80

Notes:

1. The customer shall not discharge industrial waste into the wastewater collection system that requires any treatment other than that typical of residential waste. The Company may require customers that discharge hard-to-treat sewerage to install pretreatment facilities.
2. Number of employees on the payroll at the end of the month in the plant area excluding the mine area.
3. Based on the average number of employees in each range. One REU is equal to 10.625 employees working an eight-hour shift.

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**WASTEWATER DEPARTMENT RATES AND CHARGES**

SCHOOLS REU TABLE: (1) (2)

<u>Faculty, Students And Employees (3)</u>	<u>REUs (4)</u>
0 – 8	1
9 – 15	2
16 – 50	4
51 – 100	9
101 – 200	19
201 – 300	31
301 – 400	44
401 – 500	56
501 – 600	69
601 – 700	83
701 – 800	94
801 – 900	106
901 – 1,000	119

Notes:

1. Applicable to Curley Elementary and Junior High School and Ajo High School.
2. Influent quality restrictions same as for industrial customers. See footnote (1) to Industrial REU Table.
3. School populations for billing purposes shall be established at the end of each December and the end of each May.
4. Based on average users in each range. One REU is equivalent to 8 school users (faculty, students and employees).

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**WASTEWATER DEPARTMENT RATES AND CHARGES**

**SERVICE CHARGES:**

Establishment	\$25.00
Establishment – After Hours	40.00
Deposit	*
Deposit Interest	*
Reestablishment – Within 12 Months	**
Re-connection of Service – Regular Hours	25.00
Re-connection of Service – After Hours	40.00
Service Calls – After Hours Only	\$40.00/hour
NSF Check	20.00
Deferred Payment	1.5%
Late Charge	1.5%

**Asterisk Explanations:**

- \* Per Commission Rule A.A.C. R14-2-403(B)
- \*\* Months off system times monthly minimum per  
Commission Rule A.A.C. R14-2-403(D)

**TAXES AND ASSESSMENTS:**

In addition to the rates and charges authorized herein, the Company shall collect from its customers all sales, transaction, privilege, regulatory or other taxes and assessments as may now or in the future be applicable to wastewater service.

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**WASTEWATER DEPARTMENT RATES AND CHARGES**

**RULES AND REGULATIONS:**

The Company has adopted the Rules and Regulations established by the Arizona Corporation Commission as the basis for its operating procedures. A.A.C. R14-2-601 through R14-2-610. R14-2-610 will be controlling of Company procedures unless a specific Commission Order provides otherwise.

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